

**MISSOURI
DEPARTMENT OF SOCIAL SERVICES**

P. O. BOX 1527
BROADWAY STATE OFFICE BUILDING
JEFFERSON CITY
65102-1527
TELEPHONE: 573-751-4815, FAX: 573-751-3203

Matt Blunt
Governor

Deborah E. Scott
Director

Relay Missouri
for hearing and speech impaired
Text Telephone
1-800-735-2966
Voice
1-800-735-2466

July 30, 2008

The Honorable Matt Blunt
Governor of the State of Missouri
State Capitol Building, Room 216
Jefferson City, Missouri 65101

Dear Governor Blunt:

Governor, we share a mutual goal of reaching out to families eligible for MO HealthNet for Kids. By way of this letter, I am sharing a statutorily required report on the presumptive eligibility process for the MO HealthNet for Kids program. As you know, presumptive eligibility means children are presumed eligible for MO HealthNet for Kids health care benefits due to income and remain eligible until an eligibility determination is completed, which can take up to 30 days.

At your request, Department of Social Services (DSS) initiated a pilot process with one Federally Qualified Health Center (FQHC) and one Rural Health Clinic (RHC) to test the presumptive eligibility process. Shortly thereafter, the General Assembly requested that DSS study presumptive eligibility and report on the findings. The findings from the pilot project show that presumptive eligibility has positive benefits, but does naturally have some financial liability. It clearly improves health care access for children, and there are, of course, some costs for children that ultimately do not complete the eligibility process or are determined ineligible. A brief summary of the findings shows that:

- Approximately 50% of the children involved in the presumptive eligibility process were ultimately found to be eligible for MO HealthNet for Kids.
- Almost 2/3 of those ultimately ineligible for MO HealthNet for Kids incurred medical claims under presumptive eligibility during the pilot project timeframe.

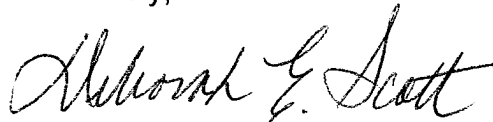
You will also recall that the General Assembly appropriated funding for SFY09 to expand presumptive eligibility to all FQHCs and RHCs with interest in the process.

- DSS estimates that with this expansion, 300 additional children per month will ultimately become eligible for MO HealthNet for Kids through the presumptive eligibility program.
- DSS estimates for those children that ultimately do not qualify for MO HealthNet for Kids, the cost of care would be approximately \$340,000 general revenue (\$900,000 total) annually.

It should be noted that of those who do not complete the eligibility process, DSS' experience indicates that many of these children would qualify if families proceeded to the end of the process. Therefore, spending on ineligible children is estimated to be some smaller amount than noted above.

I will be happy to discuss this report with you as needed.

Sincerely,

A handwritten signature in black ink, appearing to read "Deborah E. Scott". The signature is fluid and cursive, with the first name being the most prominent.

Deborah E. Scott
Director

Enclosure



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July 30, 2008

The Honorable Michael R. Gibbons
President Pro Tem
Missouri Senate
State Capitol, Room 326
Jefferson City, Missouri 65101

Dear Senator Gibbons:

By way of this letter, I am sharing a statutorily required report on the presumptive eligibility process for the MO HealthNet for Kids program. As you know, presumptive eligibility means children are presumed eligible for MO HealthNet for Kids health care benefits due to income and remain eligible until an eligibility determination is completed, which can take up to 30 days.

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Sincerely,

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Deborah E. Scott
Director

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July 30, 2008

The Honorable Rod Jetton
Speaker of the House
Missouri House of Representatives
201 West Capitol Avenue, Room 308
Jefferson City, Missouri 65102

Dear Mr. Speaker:

By way of this letter, I am sharing a statutorily required report on the presumptive eligibility process for the MO HealthNet for Kids program. As you know, presumptive eligibility means children are presumed eligible for MO HealthNet for Kids health care benefits due to income and remain eligible until an eligibility determination is completed, which can take up to 30 days.

At the Governor's request, Department of Social Services (DSS) initiated a pilot process with one Federally Qualified Health Center (FQHC) and one Rural Health Clinic (RHC) to test the presumptive eligibility process. Shortly thereafter, the General Assembly requested that DSS study presumptive eligibility and report on the findings. The findings from the pilot project show that presumptive eligibility has positive benefits, but does naturally have some financial liability. It clearly improves health care access for children, and there are, of course, some costs for children that ultimately do not complete the eligibility process or are determined ineligible. A brief summary of the findings shows that:

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- Almost 2/3 of those ultimately ineligible for MO HealthNet for Kids incurred medical claims under presumptive eligibility during the pilot project timeframe.

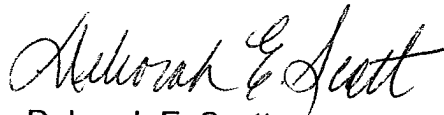
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- DSS estimates for those children that ultimately do not qualify for MO HealthNet for Kids, the cost of care would be approximately \$340,000 general revenue (\$900,000 total) annually.

It should be noted that of those who do not complete the eligibility process, DSS' experience indicates that many of these children would qualify if families proceeded to the end of the process. Therefore, spending on ineligible children is estimated to be some smaller amount than noted above.

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Deborah E. Scott
Director

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Background:

- The Revised Statutes of the State of Missouri (RSMo) section 208.640.2 requires the Department of Social Services (DSS) to study the presumptive eligibility (PE) process.
- Presumptive eligibility means children are presumed eligible for MO HealthNet for Kids health care benefits by a qualified entity due to income, and they remain eligible until an eligibility determination is complete, which can take up to 30 days.
- At Governor Blunt's request, DSS established a PE pilot project with a Federally Qualified Health Center (FQHC) and a Rural Health Clinic (RHC). This analysis shares information learned based on PE determinations made between August 2007 and April 2008 at the pilot locations.

Pilot Findings:

- 50% of the 133 children involved in the PE process at the pilot sites during this timeframe were ultimately approved for MO HealthNet for Kids when the eligibility determination process was completed. The following table recaps the pilot experience:

Number of children involved in PE process	133
➤ Number approved for MO HealthNet for Kids	67
➤ Number not eligible for MO Health for Kids	66

Distribution of reasons for children not being eligible:	Number
➤ Did not complete the eligibility process	37
➤ Citizenship	11
➤ Income	3
➤ Moved out of state	1
Note: There were an additional 14 children with the reason for not being eligible listed as "other".	

- DSS estimates that 50% of the children who were approved for ongoing MO HealthNet for Kids health care benefits would have applied for benefits in the absence of the presumptive eligibility process.
- 41 of the 66 children approved through the PE process that ultimately did not qualify for MO HealthNet for Kids had medical claims. Claims totaled \$5,182.47, or \$126.40 per child.
- The percentage of families that did not complete the eligibility process but were indeed eligible is unknown, but DSS experience indicates that many would be.

Statewide Implications:

- DSS estimates opening the presumptive eligibility process to all FQHCs and RHCs in the state will allow approximately 100 additional facilities to participate.
- DSS estimates 300 children per month would receive MO HealthNet for Kids benefits through the PE process based on the following assumptions:
 - Currently, there are 7 facilities throughout the state, including the pilot FQHC and RHC, making PE determinations for MO HealthNet for Kids.
 - Each of these facilities averaged 12 applications per month, so for 100 facilities DSS estimates 1,200 applications per month.
 - 50% of the children in the pilot were ultimately determined eligible for MO HealthNet for Kids. Of the 1,200 applications per month, 600 children would be eligible through the PE process. As noted above, DSS estimates that 50% (300 children per month) would apply for benefits in absence of a presumptive eligibility program. This means 300 children per month would be added to the MO HealthNet for Kids program through an expanded presumptive eligibility process.
- DSS estimates 600 children per month approved through the PE process would be found ineligible for MO HealthNet for Kids when the eligibility determination process is complete. These children would be eligible for 1 month of medical benefits. At a cost of \$126.40 per child, the resulting financial liability would be approximately \$340,000 general revenue (\$900,000 total) annually. ($\$126.40 \times 600 = \$75,840$ per month $\times 12$ months = \$910,080)